

1 and this particular memo was -- did, I did send a memo to TBN
2 station managers, but it was different than this one, because
3 this particular memo was specifically for NMTV and it would
4 not have been the same for, for TBN, because I don't have the
5 responsibility for TBN employees' travel arrangements, but I
6 do have for NMTV.

7 Q Okay. Now in the third sentence you say: do not
8 call the travel agents. Was there any particular travel agent
9 that you had in mind when you were writing?

10 A Any travel agent.

11 Q Who currently handles NMTV travel arrangements?

12 A I do.

13 Q And do you have a particular agency you use?

14 A Yes.

15 Q And is that agency the same that TBN uses?

16 A Yes.

17 Q Okay. And which corporation paid for your ticket
18 and stay out of here?

19 A There was a joint agreement for NMTV, TBN, and TBF
20 to, to, that divide up the expenses for this proceeding.

21 Q So each is paying a third?

22 A Yes. Well, no, no. I didn't say that. We had an
23 arrangement for, for us to share, but I didn't say it was a
24 third.

25 Q But do you recall what the arrangement was --

1 A It's a percentage, but it's not a third.

2 Q Do you recall that percentage?

3 A I believe Florida is 60-percent; TBN, 20-percent;
4 and NMTV, 20-percent.

5 Q Okay. Now could you turn to your written page --
6 your written testimony, page 50. Exhibit 101.

7 JUDGE CHACHKIN: What paragraph?

8 MR. McCURDY: Paragraph 76.

9 MRS. DUFF: Paragraph what?

10 BY MR. McCURDY:

11 Q Seventy-six. You referred to it just a moment ago.

12 A Yes.

13 Q Now you said that the NMTV joined the NAB in early
14 1992, correct?

15 A About that time.

16 Q About that time? And I -- in that second sentence,
17 you said it would be helpful for NM -- NMTV to have access to
18 any of these legal, renewal, and other services. To your
19 knowledge, has NMTV ever utilized these services?

20 A I would hope so, since we paid for it.

21 Q But, to your knowledge, have they ever done that?

22 A I didn't ask him if they had -- I gave him
23 instructions to use that service because the legal services
24 were free and it was the idea for them to utilize those
25 services. I did not ask them if they did, but I'm sure that

1 they would have.

2 Q Okay. And --

3 JUDGE CHACHKIN: We're talking about NMTV. Don't
4 you know whether or not you utilized the services of the NAB
5 or not?

6 MRS. DUFF: I, I bought this service for the station
7 manager so he would be able to call and get legal services,
8 and so that they would receive information from the NAB, which
9 I, I believe that they send him unsolicited, free of charge.
10 They just send him like a renewal kit, and that type of thing.
11 And I, I'm sure that they have utilized that information, but
12 I don't know if they've taken advantage of the legal services
13 or the other services at this point. I didn't specifically
14 ask them.

15 BY MR. McCURDY:

16 Q Okay. And you, yourself, have never taken advantage
17 of these services?

18 A No. I didn't feel I needed it myself.

19 Q Okay.

20 A I would, but, if I thought I wanted to, but I
21 haven't so far.

22 Q Okay. And have you attended any meetings --

23 A Yes.

24 Q -- of the NAB?

25 A Yes.

1 Q Okay. And --

2 JUDGE CHACHKIN: When did you attend the meeting of
3 the NAB?

4 MRS. DUFF: Shortly after I applied for the
5 membership.

6 JUDGE CHACHKIN: So that would have been 1992,
7 maybe?

8 MRS. DUFF: Yes.

9 BY MR. McCURDY:

10 Q And did you attend a 1993 meeting?

11 A No.

12 Q Okay. And do you, to your knowledge, have they had
13 their, their, an annual meeting for this year, for 1993?

14 A If they did, I wasn't focused on it. I was too
15 busy.

16 Q Okay. And in the 1992 meeting that you attended,
17 did you attend, did you sit on any panels or chair any
18 discussions?

19 A No. I was there to get information.

20 Q Okay. And is it fair to say that through your work
21 at TBN and NMTV and your membership in the NAB, do you -- a
22 general understanding of the relationship between networks and
23 their affiliates?

24 A That wasn't a part of my job description. I didn't
25 feel like I needed to get that type of information.

1 Q Okay. But you're responsible at NMTV for
2 negotiating affiliation agreements with Trinity, correct?

3 A We have a unique agreement. Trinity's affiliations
4 are not the same type of agreement as you would have with the
5 NBC, TBN -- I mean CBS and that type of thing. They are
6 unique.

7 Q Okay. Are you familiar with those, the customary
8 affiliation agreements between CBS and, say --

9 A No, I am not.

10 Q Okay. Would you agree that in a network affiliate
11 agreement, the parties have different interests? Or, I'm
12 sorry, in Trinity, in your agreements with Trinity and NMTV,
13 the affiliation agreement with Trinity, do you and N -- and
14 Trinity -- does NMTV and Trinity have different interests?

15 A We have goals that are very similar.

16 Q But do you have different interests, is my question.

17 A I think basically we have very similar interests.

18 Q Can you think of anything of your interests that
19 would be different from TBN?

20 A National Minority's goals are primarily to, to
21 assist minority groups and minorities in a community, where
22 Trinity's goals would be mostly to, to reach the whole
23 community, but --

24 Q Maybe like --

25 A -- National already has taken a position to

1 emphasize the needs of minorities in a community.

2 JUDGE CHACHKIN: Is that reflect in your Articles of
3 Incorporation?

4 MRS. DUFF: No, sir, they're not.

5 JUDGE CHACHKIN: Is it reflected in any document of
6 any kind?

7 MRS. DUFF: The Articles of an Incorporation were
8 drafted in order to get the, the exemption. And that's the
9 basis of them. It's the non-profit focus that were used in
10 drafting those Articles of Incorporation and this is the case
11 for most non-profit organizations. So that's why we didn't
12 feel it was necessary to include those things about the
13 minority focus --

14 JUDGE CHACHKIN: Are you saying that --

15 MRS. DUFF: -- in the Articles of Incorporation.

16 JUDGE CHACHKIN: Are you saying you would not be
17 entitled to an exemption if you included in your Article your
18 goal of helping minorities, that this would preclude you from
19 getting an exemption? Is that what you're saying?

20 MRS. DUFF: No, sir.

21 JUDGE CHACHKIN: Well, then that wasn't the reason
22 for not including it, was it?

23 MRS. DUFF: No. The re -- there wasn't a focus in
24 the Articles in, of Incorporation to put minority goals in
25 there because the exemption for, for charitable organizations

1 -- organizations, the focus is on the charitable purpose, and
2 that doesn't include minorities as far as the IRS is
3 concerned.

4 JUDGE CHACHKIN: But it didn't prevent you from
5 including in your, in your Articles these laudible goals
6 you've just mentioned of helping minorities, did it? This
7 would not have precluded you from getting, from, from be,
8 being treated as an exempt organization if you said in
9 addition to your religious purposes, you also intended to
10 assist minorities. This would not prevented you from getting
11 an exemption, would it?

12 MRS. DUFF: Well, I'm sure it wouldn't have
13 prevented, but I don't think that's one of the criteria that
14 they used to make the determine --

15 JUDGE CHACHKIN: I didn't say the criteria. I'm
16 talking of -- you mentioned what your organization stands for,
17 NMTV, and I'm saying I, I've asked you is it found anywhere,
18 in any written document, assistance to minorities. And your
19 answer is no. And there was nothing in, that prevented you
20 from including that in the Articles of Incorporation. Isn't
21 that true?

22 MRS. DUFF: That's true.

23 JUDGE CHACHKIN: And isn't it a fact that your
24 Articles of Incorporation are identical to the Articles of
25 Incorporation at TBN, namely to spread the gospel? Isn't that

1 a fact?

2 MRS. DUFF: That is one of our main goals, yes, sir.

3 JUDGE CHACHKIN: And that's the same for TBN?

4 MRS. DUFF: Yes, sir.

5 JUDGE CHACHKIN: Go ahead, counsel.

6 BY MR. McCURDY:

7 Q Thank you. Could you turn to page 42 of your direct
8 testimony, paragraph 61.

9 A Paragraph what?

10 Q Sixty-one. Now in this paragraph, you refer to a
11 provision in the affiliation agreement NMTV had with TBN which
12 allows either party to cancel the agreement providing 120 days
13 written notice, correct?

14 A Yes.

15 Q At the time this agreement was signed, had you
16 explored any other possible programming structures for the
17 Portland station? I'm sorry, I'm referring to the Portland
18 affiliation agreement.

19 A No, I had not.

20 Q And could you, paragraph 62? You also note that
21 NMTV has more flexibility than other TBN affiliation
22 agreements because the other TBN affiliates include a
23 provision requiring them to broad -- them not to broadcast a
24 primary or flagship program of any other major Christian
25 program without the mutual consent of TBN. And it's your

1 testimony that this was not put in the NMTV affiliation
2 agreement, correct?

3 A In other words, NMTV has more flexibility because we
4 don't have to have prior approval to use another programming
5 source for the flagship program. I can do that if I want to
6 without saying anything to TBN about it.

7 Q To your knowledge, has an NMTV affiliate ever
8 broadcast a primary or flagship program of any other major
9 Christian programs' producer or network?

10 A No.

11 Q So the flexibility you're referring to in the
12 affiliation agreement has never been exercised?

13 A No, but it certainly can be.

14 Q Could you turn to page 43, and that's paragraph 63.
15 Okay. Now in that paragraph, you testify that you negotiated
16 a lease with KOIN TV to allow NMTV to simply pay more rent if
17 it became a for-profit corporation or changed its religious
18 format, correct?

19 A Yes.

20 Q Okay. Now why did you negotiate this lease
21 provision?

22 A Because I felt that NMTV wanted the flexibility, and
23 the, the severity of losing that, you know, lease was, was
24 just, was, was unreasonable.

25 Q Okay. Now was that the only reason that this

1 provision was negotiated?

2 A Primarily --

3 Q Think you can recall?

4 A Primarily to give us more protection.

5 Q And when you say primarily, were there other
6 reasons?

7 A That was the, the main reason, was to give us
8 protection for our lease. That was a very critical -- you
9 can't operate without a tower lease. If you don't have a
10 site, you don't have a station.

11 Q Okay. Could you turn to Tab Z of your direct
12 testimony, Exhibit 101. And that's going to be in Volume
13 Four, TBF 101, Volume Four. And you don't need to read the --
14 document. But could you tell me what this is?

15 A That's a letter from Lee Wood. He's the, he was a
16 chief engineer of KOIN and he's the one I negotiated with for
17 the lease.

18 Q Okay. And on page five, could you read paragraph
19 marked, the paragraph marked 16. Now isn't it a fact that the
20 reason this provision was negotiated, was to pervers -- excuse
21 me, preserve the value of the Portland station in the, in the
22 event NMTV decided to sell the station?

23 A Yes.

24 Q Okay. But before you testified that it was for
25 program flexibility?

1 A Well, that --

2 MR. TOPEL: Objection. -- there is no -- to
3 programming. This is a different paragraph. This relates to
4 assignment, and it was a different paragraph, I'm sure. It's
5 paragraph five that relates to, I believe it's paragraph five.

6 JUDGE CHACHKIN: Are you referring to oral testimony
7 or are you --

8 MR. TOPEL: It's page, page, page, I'm sorry.

9 JUDGE CHACHKIN: Are you referring to oral testimony
10 or written testimony, counsel?

11 MR. McCURDY: I was, I was referring to her oral
12 testimony.

13 JUDGE CHACHKIN: The object, objection is overruled.

14 BY MR. McCURDY:

15 Q Let me ask -- I'll rephrase the question. Now you
16 testified that the provision allowing a change in format for
17 the station was to provide flexibility for NMTV, correct?

18 A Yes.

19 Q And now my question is doesn't that provision also
20 increase the resale, potential resale value of the station?

21 A Yes, it does.

22 Q And, in fact, NMTV had never made any plans to
23 change its programming, haf it?

24 A It doesn't mean that I can't.

25 Q No, but my, the question is --

1 JUDGE CHACHKIN: Will you please answer the
2 question. The question is not whether you may do in the
3 future, the question had you done it up to now?

4 MRS. DUFF: I have not done it up to now, no.

5 BY MR. McCURDY:

6 Q And the board, the NMTV board has never discussed a
7 change in programming, correct?

8 A Not to the present time.

9 Q Now if you could turn to page three.

10 MR. COHEN: Three of what?

11 MR. McCURDY: Of your written testimony.

12 MR. TOPEL: Volume number, Volume One.

13 BY MR. McCURDY:

14 Q I'm referring to paragraph B at the bottom of the
15 page. But actually I think you can answer my question without
16 referring to that. Sure, page three, B. I'm just interested
17 in the moment, second sentence there. It is your testimony
18 that Mr. Crouch initially wanted to explore the feasibility of
19 selling the Odessa construction permit, and you and
20 Mr. Espinoza disagreed. Correct?

21 A Yes.

22 Q Okay. Now could you turn to Tab B in that same
23 volume? And Tab B is a special meeting of the Board of
24 Directors of National Minority TV dated June 22nd, 1987.

25 JUDGE CHACHKIN: The witness has it.

1 BY MR. McCURDY:

2 Q And you'll see on the third paragraph, second
3 sentence, Mr. Crouch's motion to explore the feasibility of
4 entering a transaction to which a construction permit would be
5 transferred is recorded. Do you recall Mr. Crouch making that
6 motion?

7 A Yes.

8 Q At the meeting?

9 A Yes.

10 Q Okay. Now could you turn to page two, the last full
11 paragraph.

12 MR. COHEN: Two of, of?

13 BY MR. McCURDY:

14 Q Page two of the same document. Now isn't it a fact
15 that Mr. Crouch later made a motion in that same meeting to
16 authorize construction of the Odessa station?

17 A Well, if it's in the document, I don't, I haven't
18 focused on it right now, but, yes.

19 Q Do you recall Mr. Crouch making that motion?

20 A Yes.

21 Q Could you turn to Bureau Exhibit 256.

22 MR. TOPEL: That's going to be in Volume Five.

23 MRS. DUFF: 256?

24 MR. McCURDY: Yes.

25 JUDGE CHACHKIN: The witness has it. What's your

1 question.

2 BY MR. McCURDY:

3 Q This action by written consent authorizes the sale
4 of the Odessa station for not less than \$1 million, correct?

5 A Yes.

6 Q Now prior to this action, you had already had
7 contact with Primetime Christian Broadcasting concerning the
8 sale of the station, is that correct?

9 A Prior to this resolution, yes.

10 Q Okay. And, at that time, was a price discussed?

11 A Yes.

12 Q And what was that price?

13 A \$1 million.

14 Q Okay. How was that \$1 million price arrived at?

15 A The cost of the construction of the station, the
16 acquisition of the construction permit, and our expenses in
17 building the station.

18 Q Okay. Was any effort made to determine the fair
19 market value of the station, if you sold it to a commercial,
20 commercial corporation for profit?

21 A No.

22 Q Okay. Now I note in this document that Mr. Crouch
23 signed first on May 16th, '89. Did he draft this written
24 consent?

25 A No.

1 Q Who drafted that?

2 A Norm Juggert.

3 Q Okay. And was it drafted on your request or
4 Mr. Crouch's?

5 A I don't recall.

6 Q Now Primetime Christian Broadcasting would not agree
7 to the \$1 million purchase price for the Odessa station, is
8 that correct?

9 A That's correct.

10 Q If we could turn to Bureau Exhibit 277.

11 JUDGE CHACHKIN: The witness has it. You could go
12 ahead.

13 BY MR. MCCURDY:

14 Q Okay. Did you negotiate the terms represented in
15 this letter? On the second page, that's paragraph marked
16 number two, indicates \$650,000 purchase price. Did you
17 negotiate these provisions?

18 A There was a consensus of the board. And, and, yes,
19 I basically did the negotiating, yes.

20 Q Okay. Does the \$650,000 represent the total price
21 NMTV would receive for the station?

22 A Yes.

23 Q Under that agreement. And how was the \$650,000
24 figure determined?

25 A The price of the hard assets, the transmitting

1 equipment.

2 Q And do you know if this price was above or below the
3 fair market value of the station?

4 A I didn't check to see what the far, fair market
5 value was.

6 Q And why was this agreement not entered into at that
7 time?

8 A There was a period of time where there was no
9 negotiations and we had tried to market it elsewhere, and we
10 had offered it to other people and it took several months to
11 go through that process.

12 Q Okay. If you could turn to Bureau Exhibit 327
13 within the next volume.

14 A Three what?

15 Q 327.

16 MR. TOPEL: 327.

17 BY MR. McCURDY:

18 Q Now this, the minutes of this meeting indicate that
19 you have negotiations with Tri State Television, All American
20 Television, and those are the only other corporations listed.
21 Were there any other corporations you had negotiations with,
22 do you recall?

23 A I don't recall.

24 Q And both of these had previous dealing with TBN,
25 both of these corporations, correct?

1 A Yes.

2 Q And they broadcast TBN programming, correct?

3 A Yes.

4 Q Okay. And was it understood during this nego -- the

5 entire time of these negotiations that the station would

6 continue to carry TBN programming?

7 A Yes.

8 Q And if you could look at Bureau Exhibit 348. 348.

9 Now this meeting is dated April 5th, 1991, and it authorizes

10 the purchase of the Odessa station by Primetime, cor --

11 correct?

12 A Yes.

13 Q Okay. And now my question is if you look at the

14 second paragraph, it makes reference to a sale agreement dated

15 December 4th, 1991, which is several months after the date of

16 this meeting. Now is that December 4th, 1991, purchase

17 agreement, is that the correct date of that agreement?

18 A I, I'm not sure without looking at the documents.

19 I, I don't know.

20 Q I mean would it be your practice to date, to refer

21 to a dated document that's not set to occur for another eight

22 months or so?

23 A No.

24 Q So do you think is that in error?

25 A I don't know.

1 Q Do you remember when the agreement to sell the
2 Odessa station with Primetime was made?

3 A The original agreement?

4 Q Yes.

5 A No, I don't remember the exact date.

6 Q Do you remember the terms of that agreement?

7 A The original? Yes.

8 Q Okay. And how much was the station sold for?

9 A \$650,000.

10 Q Okay. But we just, you don't know when that station
11 was, when that agreement was finalized?

12 A No, I don't, I don't actually remember the date.

13 Q Now when you negot -- negotiated the agreement to
14 sell the Odessa station with Primetime, whose had were you
15 wearing at that time, NMTV or TBN's?

16 A When I, when we sold the station?

17 Q Yes.

18 A NMTV.

19 Q Okay. Why was it in NMTV's best interest to sell
20 the station to a corporation with the understanding that it
21 would carry TBN programming?

22 A We have similar goals.

23 Q But you testified that you did not seek to find out
24 -- you didn't negotiate with anyone else but people that would
25 carry TBN programming, correct?

1 A That's correct.

2 Q So you are unaware of what value you could have
3 received for the station had you tried to sell it to another
4 corporation, correct?

5 A Yes.

6 Q Now the sale of the Odessa station to Primetime
7 financially benefitted TBN, correct?

8 A Not directly, no.

9 Q Well, you sold it with the understanding that they
10 would sign an affiliation agreement with TBN, correct?

11 A There would be the benefit of the, the programming,
12 but TBN stood to wait a lot longer to get their, their money
13 back.

14 Q Okay. The affiliation agreement though did provide
15 for an 80/20 split, correct?

16 A Yes.

17 Q So TBN did receive 20-percent of the revenues from
18 the Odessa station?

19 A Twenty percent, yes.

20 Q And NMTV, in fact, lent the month to Primetime to
21 buy the station, correct?

22 A I don't believe it was NMTV, no, that loaned the
23 money to Primetime.

24 JUDGE CHACHKIN: Do you know where --

25 MR. McCURDY: Yes, do you -- let me try ---

1 JUDGE CHACHKIN: Do you know where Primetime got the
2 money?

3 MRS. DUFF: Primetime actually entered into an air
4 time agreement with TBN and that's where the revenues came
5 from. That's where, where the repayment was to come in.

6 BY MR. McCURDY:

7 Q But when Primetime -- I mean when NMTV sold the
8 station to Primetime, did it receive any money from Primetime?

9 A No.

10 Q And what did they receive in return for the sale of
11 the station?

12 A We actually got out of -- the obligation was
13 reverted to, to Primetime instead of it being NMTV's
14 obligation.

15 Q Did you not, in fact, receive a note from Primetime
16 for \$650,000?

17 A There was a note, but that note was eventually
18 forgiven.

19 Q I understand that. But at the time of the sale,
20 NMTV essentially sold the station for that \$650,000 note,
21 correct?

22 A That's correct.

23 Q Okay.

24 JUDGE CHACHKIN: How, how was it NMTV's interest to
25 forgive the note?

1 MRS. DUFF: Because the, there was actually no way
2 to collect on the note at -- during the particular time that,
3 the, the economy was so bad that Primetime couldn't pay the
4 note, so therefore it wouldn't, it wouldn't be beneficial for
5 us to foreclose on the note. This -- our eventual interest in
6 keeping the programming going was of consideration there, to
7 make sure that the station did continue to operate.

8 JUDGE CHACHKIN: TBN's programming, we're talking
9 about?

10 MRS. DUFF: That's correct.

11 JUDGE CHACHKIN: Well, I've asked -- again, I repeat
12 the question. How did it benefit NMTV to cancel the note with
13 Primetime, to forgive the note with Primetime?

14 MRS. DUFF: It was -- it would have been a black
15 mark really for our group to foreclose on another organization
16 and we didn't feel that that was the thing to do.

17 JUDGE CHACHKIN: What, when you say our group, who
18 are you talking about?

19 MRS. DUFF: The National Minority TV.

20 JUDGE CHACHKIN: NM and TBN?

21 MRS. DUFF: That's right, NMTV.

22 JUDGE CHACHKIN: And TBN?

23 MRS. DUFF: And TBN.

24 JUDGE CHACHKIN: Go ahead.

25 BY MR. McCURDY:

1 Q But is it not also a black mark to, for NMTV's at
2 least financial seat to forgive \$650,000?

3 A It wasn't, it was a difficult decision to make, but
4 we feel we made the right decision.

5 Q Okay. Could you turn to --

6 JUDGE CHACHKIN: You mean you owe, you owe TBN over
7 \$5 million, and here you're forgiving another entity who you
8 sold the station \$650,000. Now financially that doesn't make
9 sense, does it?

10 MRS. DUFF: It was a difficult decision to make, but
11 we felt we made the right decision.

12 JUDGE CHACHKIN: But financially it doesn't make
13 sense to forgive another entity when you owed TBN almost
14 \$5 million, does it?

15 MRS. DUFF: It was a difficult decision to make.
16 But we made the decision based on the best information we had,
17 and based on the fact that we wanted the programming to
18 continue and that's the only way it would be able to cont --
19 the station would continue to operate.

20 JUDGE CHACHKIN: But N -- NMTV didn't gain anything
21 from TBN programming continuing on Primetime, did it?

22 MRS. DUFF: Well, in my way of looking at it, if the
23 station had failed after it started by this minority group, I
24 looked at it as being something that NMTV was responsible for
25 birthing, and I didn't want to see it fail. And that was one

1 of the reasons why I brought it to the board and I wanted to
2 see if it could continue to have the station remain on the
3 air. When we look back at it now, it doesn't look like NMTV
4 failed, that the station was still on the air. It didn't go
5 dark.

6 JUDGE CHACHKIN: And the station is still
7 broadcasting TBN programs?

8 MRS. DUFF: Yes.

9 JUDGE CHACHKIN: But as far as NMTV is concerned,
10 and, and if TBN didn't gain anything by the station continuing
11 on the air, it look, it -- as you said, it forgave the
12 \$650,000, there was no NMTV programming being carried, so what
13 did NMTV benefit from cancelling, from not collecting, not
14 continuing to try to enforce the \$650,000 debt?

15 MRS. DUFF: I felt --

16 JUDGE CHACHKIN: NMTV as opposed to TBN, how did
17 they benefit from it?

18 MRS. DUFF: I felt very strongly that because NMTV
19 was the one that birthed this station, that it would, it would
20 look bad for NMTV to pull the rug out from underneath this
21 entity that had planned to carry it on. And so I really felt
22 strongly about helping this organization to keep going,
23 because this was a station, the first station that NMTV built
24 and it's not a failure because it's still on the air. And
25 that's, personally, the way I felt about it. I still feel

1 strongly about it.

2 JUDGE CHACHKIN: But I guess when you felt that way,
3 you were, you were wearing your TBN hat, not the NMTV hat,
4 since it wasn't benefitting NMTV but it was benefitting TBN to
5 keep it on the air and carry, and continue carrying TBN
6 programs. Isn't that true?

7 MRS. DUFF: That's not the way I felt about it.

8 JUDGE CHACHKIN: But it, isn't that true, that the
9 only one benefitted from it is TBN. NMTV did not benefit.

10 MRS. DUFF: That's not the way I looked at it, no,
11 sir.

12 JUDGE CHACHKIN: Go ahead, counsel.

13 BY MR. McCURDY:

14 Q Thank you. Could you turn to Bureau Exhibit 412.
15 Now these are the minutes of a special board meeting in which
16 the Primetime debt was forgiven. And my question is during
17 this meeting, was there any discussion of the affiliation
18 agreement between T -- TBN and Primetime Christian
19 Broadcasting?

20 A I don't recall if there was or not.

21 Q Was there a disclosure that, that the board's action
22 would materially benefit TBN?

23 A That was common knowledge. It wasn't something that
24 would have to be disclosed. It was common knowledge.

25 Q Okay. Now when that decision was made by the board,

1 | did you consider any other options short of forgiving the
2 | loan?

3 | A Yes. There was, there was some discussion of, as to
4 | some other measures that would extend the note out, but it
5 | would -- we had a consensus of the board that the station
6 | probably would never really be able to pay off the debt, and
7 | so it was decided that this would be the, the best way to
8 | handle it.

9 | Q So you considered refinancing when there were -- was
10 | there no money coming into this station?

11 | A There was barely enough money to, you know, keep the
12 | light bill paid and the engineering costs, and that type of
13 | thing.

14 | Q Did NMTV consider reacquiring the station and
15 | continuing TBN broadcast?

16 | A No.

17 | Q Did you personally explore any of these options
18 | before or after the -- or before the board meeting?

19 | A Explore what options?

20 | Q Did you consider refinancing, did you make any
21 | estimates on what payment arrangements could be made?

22 | A There were, there were discussions at the meeting,
23 | but I did not explore anything prior to the meeting, no.

24 | Q Okay. When the board decided to forgive the debt,
25 | did NMTV have a written business plan?